

NSR Reform Implementation In South Carolina

Issues, Implementation Process, & Timetables





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NSR Reform by EPA

- ✱ Changes under consideration by SCDHEC are those published by EPA on December 31, 2002
- ✱ Routine Maintenance, Repair and Replacement exclusion published on October 27, 2003 will not be addressed at this time (stayed by court order)



EPA's Reform Items

- ✱ Baseline actual emissions
- ✱ “Actual to Projected Actual” applicability test
- ✱ Clean units
- ✱ Plantwide applicability limits (PALs)
- ✱ Pollution control projects (PCPs)

Baseline Actual Emissions

Compare emissions before change vs. after change: Does emissions change cause significant net emissions increase?

Baseline period to be representative of normal operation

(EPA rule in 1992 for utilities [WEPCO]- use two consecutive years in prior five – “two-of-five year look back”)

December, 2002 rule

- ✱ Any consecutive twenty-four months in ten year period (“ten year look back”)
- ✱ Utility look back kept at “two-of-five year look back”



Actual to Projected Actual Applicability Test

Pre-December, 2002 - For non-utilities, compare pre-change actual to post-change potential (“actual-to-potential”)

December, 2002 rule - Gives non-utilities actual-to-projected-actual methodology that EPA gave utilities in 1992 (WEPCO)

Methodology:

- ✱ Project maximum post-change actuals for five years (or ten years if change in design capacity or increase in potential to emit)
- ✱ Exclude emissions increases which could be accommodated before change
- ✱ Keep records to document projected actuals



Clean Units

- ✱ Units with BACT, LAER or equivalent level controls
- ✱ NSR not triggered if change does not exceed unit allowable emissions limit
- ✱ Designation lasts 10 years and can re-qualify without additional controls



Plantwide Applicability Limits (PALs)

- ✱ Provides alternative to multiple PTE limitations on individual units
- ✱ Plant emissions capped at baseline actuals plus the significance level of a specific pollutant
- ✱ PAL allows facility-wide operational flexibility
- ✱ Any physical or operational change allowed without NSR review if emissions are within PAL limit
- ✱ Effective ten years - can be renewed - state makes decision



Pollution Control Projects (PCPs)

- ✱ Project that reduces emissions of a pollutant causing a net increase in another pollutant
- ✱ Applies to all sources (including utilities)
- ✱ Must as a whole have overall environmental benefit but does not have to be primary purpose – balancing test
- ✱ Listed projects presumed to be beneficial



Our Options on NSR Reform

- ✱ Adopt regulations as written
- ✱ Minor changes to ease implementation
- ✱ Use STAPPA/ALAPCO menu options to develop “moderate” changes
- ✱ Develop individual regulations specific to SC “as stringent” as proposed regulations



Reasons for Delay of Action

- ✱ Needed to resolve Ozone Early Action Plan first
- ✱ Hoped for some judicial resolution to lawsuits
- ✱ Allow “cooling off” period and reflection on various outlooks and reviews



Notice of Intent to Draft

- ✿ First step in our process to develop regulations
- ✿ Notice published in *State Register* on January 4, 2004



Where We Are Now

- ✱ First meeting of internal group was on March 8, 2004
- ✱ Weekly meetings held to complete draft regulation as proposed initial position
- ✱ First e-mail out to “potential” stakeholders sent April 2, 2004
- ✱ First stakeholders meeting on May 26, 2004



Planned Path Forward

- ✱ Prepare draft proposal which is to be our initial position
- ✱ Hold stakeholder sessions May - August '04
- ✱ Notice of draft regulations Fall '04
- ✱ Public Hearing December '04
- ✱ Submission to General Assembly January '05



When Would We Implement?

- ✱ When final regulation is published in *State Register* (June '05?) our regulations are officially changed.
- ✱ If EPA on board with final regulation we implement then, and will not wait until SIP is modified